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SUBJECT: BFIF FY06 PROPOSALS

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POST WISHES TO EXTEND ITS APPRECIATION FOR CONTINUED SUPPORT OF COMMERCIAL ACTIVITIES IN SRI LANKA AND MALDIVES AND PROPOSES THE FOLLOWING ACTIVITIES FOR FY06:

11. US-MALDIVES FRIENDSHIP WEEK:

(A) JUSTIFICATION: THE MALDIVES TRADE FAIR HAS SEEN CONSIDERABLE GROWTH OVER THE PAST FEW YEARS IN TERMS OF COMPANY PARTICIPATION, COVERAGE, AND SIGNIFICANCE IN THE MALDIVES COMMERCIAL CALENDAR (REF C). IT REMAINS THE PRIMARY MEANS THROUGH WHICH US COMPANIES CAN REACH A LARGE CROSS-SECTION OF THE MALDIVIAN BUSINESS COMMUNITY.

THE SUCCESS OF THE SHOW HAS SPAWNED ADDITIONAL EVENTS AND THIS YEAR LED TO THE IMPLEMENTATION OF THE FIRST US-MALDIVES FRIENDSHIP WEEK IN SEPTEMBER 2005 (REF B). THIS EVENT BROUGHT TOGETHER MOST EMBASSY OFFICES AND USG AGENCIES AT POST, INCLUDING ECONOMIC AFFAIRS, CONSULAR, PUBLIC AFFAIRS AND DEFENSE AND HELPED TO STRENGTHEN BI-LATERAL TIES BETWEEN THE US AND MALDIVES DUE TO THE INCREASED SCOPE OF THE EVENT. BOOK DONATIONS, CULTURAL ACTIVITIES, CONSULAR BRIEFINGS, MOVIES, AND A US NAVY AIRCRAFT VISIT WERE SOME OF THE ACTIVITIES CONDUCTED DURING THE FRIENDSHIP WEEK IN ADDITION TO THE TRADE FAIR. THE AMBASSADOR'S PRESENCE AND SUPPORT OF THE EVENT, INCLUDING HOSTING A RECEPTION WITH KEY CONTACTS OF THE GOVERNMENT, PRIVATE SECTOR, DONORS, NGO'S AND RESIDENT US CITIZENS, REITERATED POST'S COMMITMENT TO THE EVENT AS A TOOL TO ENHANCE BILATERAL TIES.

THE 2005 TRADE FAIR COMPONENT OF THE FRIENDSHIP WEEK GENERATED USEFUL LEADS TO PARTICIPANT COMPANIES, ESPECIALLY IN THE FOOD AND BEVERAGE SECTOR, WATER AND PROCESSING SECTORS. A PARTICIPATING COMPANY HAS COMMENCED NEGOTIATIONS WITH THE GOVERNMENT OF MALDIVES (GOM) FOR A WATER PROJECT AND SEVERAL OTHER COMPANIES REPORTED INCREASED POSSIBILITIES FOR CONTRACTS IN THE FUTURE DUE TO THEIR PRESENCE AT THE SHOW (REF C). US FRUITS INCLUDING APPLES, ORANGES AND GRAPES ARE EXPORTED TO MALDIVES AS A RESULT OF PRIOR TRADE SHOWS. MALDIVES PRESENTS OPPORTUNITIES FOR US FIRMS OFFERING A DIVERSE RANGE OF TECHNOLOGIES WITH ALTERNATE ENERGY, ENVIRONMENT, IT, COMMUNICATIONS, ELECTRONICS AND CONSTRUCTION BEING PARTICULARLY VIABLE. FOOD AND BEVERAGE IS ALSO AN IMPORTANT SECTOR DUE TO THE TOURISM INDUSTRY AND LACK OF DOMESTIC PRODUCTION. THE CONSTRUCTION OF A NEW ISLAND IN CLOSE PROXIMITY TO MALE', INTENDED TO EASE CONGESTION IN THE CAPITAL CITY, HAS ATTRACTIVE PROSPECTS FOR US TECHNOLOGY, PRODUCTS AND SERVICES. THIS YEAR POST WILL INCREASE PROMOTION OF THE EVENT AND STRIVE TO SECURE THE MAIN CONFERENCE FACILITY. AS A RESULT, COSTS ARE EXPECTED TO INCREASE.

(B) PLANNING MILESTONES: THE DATES OF THE SHOW WILL BE

FINALIZED WITH THE CONCURRENCE OF OTHER USG AGENCIES INVOLVED IN THE EVENT ONCE FUNDING IS APPROVED. THE SHOW WILL BE HELD IN THE MAIN CONFERENCE CENTER IN MALE'. PROMOTIONAL STRATEGY, LOGISTICS AND RELATED ISSUES WILL BE COORDINATED WITH OTHER PARTICIPATING USG AGENCIES, EXHIBITORS, THE MALDIVES CHAMBER OF COMMERCE AND POST GSO.

(C) ANTICIPATED OUTCOMES:

- ENHANCED VISIBILITY AND RAISE FAMILIARITY OF US PRODUCTS AND TECHNOLOGY AMONG CONSUMERS AND DECISION MAKERS IN GOVERNMENT AND PRIVATE SECTOR
- FORMING OF MEDIUM TO LONG TERM PARTNERSHIPS AND SALES CONTRACTS BETWEEN EXHIBITORS AND MALDIVIAN FIRMS.
- INCREASED EXPORTS OF US FOOD & BEVERAGE PRODUCTS, TECHNOLOGY AND EQUIPMENT TO CONSTRUCTION, PROCESSING AND ALTERNATE ENERGY/WATER PROJECTS.
- INCREASE IN COMMERCIAL INQUIRIES FROM MALDIVIAN BUSINESSES.

(D) ESTIMATED COSTS: \$15,000.00

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(F) POST WILL SOLICIT FUNDS FROM OTHER USG AGENCIES TO FUND COMPONENTS OF AMERICA WEEK CORRELATED TO THE TRADE SHOW.

(G) PROJECT OUTCOME CRITERIA ARE BASED ON NEW LEADS GENERATED FOR EXHIBITORS, NUMBER OF VISITORS ATTENDING SHOW AND NUMBER OF CONTRACTS AND SALES CONCLUDED WITH MALDIVIAN COMPANIES.

(H) FOLLOW UP WILL BE DONE BY CONTACTING EXHIBITORS, PURSUING TRADE LEADS, WORKING WITH THE MALDIVES CHAMBER OF COMMERCE ON POST SHOW FOLLOW UP IN THE MALDIVES AND WORKING WITH FAS AND FCS TO IDENTIFY SUITABLE SUPPLIERS AND TECHNOLOGY FOR SPECIFIC REQUIREMENTS.

12. SRI LANKA TRADE PROMOTION

(A) JUSTIFICATION: SRI LANKA HAS RECORDED STEADY ECONOMIC GROWTH OVER THE PAST FEW YEARS AND PER CAPITA GDP REACHED \$1,000 FOR THE FIRST TIME IN 2005, WHICH IS SECOND ONLY TO THE MALDIVES IN THE REGION. MANY NEW PRODUCTS AND TECHNOLOGY HAVE ENTERED INTO THE MARKET FROM DIFFERENT COUNTRIES INCLUDING THE US. HOWEVER, US-SRI LANKA BILATERAL TRADE IS HEAVILY WEIGHED IN SRI LANKA'S FAVOR. POST PLANS TO PARTICIPATE IN A MAJOR TRADE EVENT OR PROMOTION OF US PRODUCTS AND TECHNOLOGY. THE EVENT WILL COVER A RANGE OF PRODUCTS INCLUDING AGRICULTURAL PRODUCTS WHICH ARE ACTIVELY PROMOTED BY US AGENCIES SUCH AS SOUTHERN US TRADE ASSOCIATION, CALIFORNIA GRAPE COMMISSION AND OTHER AGENCIES THAT HAVE IDENTIFIED THE SRI LANKAN MARKET AS SMALL BUT PROFITABLE MARKET WITH POTENTIAL FOR GROWTH.

(B) PLANNING MILESTONES:

THE EVENT WILL BE ORGANIZED TOGETHER WITH OTHER USG AGENCIES, COOPERATORS AND POSSIBLY RETAIL CHAINS AND US COMPANIES OPERATING IN SRI LANKA OR HAVING REPRESENTATION IN THE COUNTRY OR THE REGION AND ARE INTERESTED IN PROMOTING THEIR PRODUCTS IN SRI LANKA.

(C) ANTICIPATED OUTCOMES:

- POSITION US AS THE PREFERRED AND PREMIER SUPPLIER OF PRODUCTS AND TECHNOLOGY
- CONSUMERS AND DECISION MAKERS WILL BE INFORMED OF THE SUPERIOR QUALITY, DEPENDABILITY AND RELIABILITY OF US PRODUCTS

(D) ESTIMATED COSTS: \$10,000

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(F) POST WILL REQUEST FOR FUNDS FROM PARTICIPATING AGENCIES, COMPANIES AND COOPERATORS TO FUND DIFFERENT COMPONENTS OF THE EVENT.

(G) POST OUTCOME CRITERIA WILL BE BASED ON SUCCESS REPORTED BY PARTICIPATING COMPANIES, NEW LEADS GENERATED FOR COOPERATORS AND PUBLIC AWARENESS/PARTICIPATION AT THE EVENT.

(H) FOLLOW UP WILL BE DONE BY CONTACTING ALL PARTICIPATING AGENCIES/COMPANIES/COOPERATORS FOR RESULTS AND SUCCESSES OF THE EVENT.

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